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Report Highlights:

Jamaica's thriving poultry sector continues to fuel increasing demand for U.S. soybean meal.

Includes PSD changes: Yes
Includes Trade Matrix: No
Annual Report
Santo Domingo [DR1], JM

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EXECUTIVE SUMMARY

Jamaica's sole soybean extrusion plant remains closed and there are no indications that the plant will be reactivated. Consequently, Jamaica satisfies all its demand for soybeans, soybean meal and soybean oil through importation from The United States, Puerto Rico, Canada and The Caribbean Community (CARICOM).

Generally, Jamaica's total consumption of soybean meal, backed by a rapidly expanding broiler industry, is expected to show modest growth over market year (MY) 2001 through 2004, reaching 83,169 MT during MY 2000. The contribution of cattle feeds to total soybean meal consumption is expected to decline due to the closure of Jamaica's sole feed lot operation. Influenced by health concerns, consumption of edible oils and fats is expected to decline over the medium to long-term. Within the declining oil market, soybean oil is expected to retain market leadership based on its perceived superior health benefits vis-a-vis other oils of plant or animal origins. Importation of soybeans is expected to remain insignificant as the extrusion plant remains closed.

The United States was the sole supplier of crude soybean oil to Jamaica during calendar year (CY) 2001. The strong negative correlation between crude and refined soybean oil importation is explained by the movement of SEPROD and JEOFCo., Jamaica's two soybean oil refining companies, along their respective learning curves to achieve increased efficiency and competitiveness. Over MY 2001 to MY 2004, importation of refined soy oil is expected to decline significantly.

SOYBEAN

Production

There is no significant domestic production of soybeans in Jamaica.

Consumption

Consumption of soybeans in Jamaica was historically driven by the demand for soybean meal. However, since the closure of Jamaica Soya Product Industries (JSPI), the sole soy extrusion plant ever to exist in Jamaica, consumption of soybean has become insignificant. During CY 2001, Jamaica imported only 51 MT of soybeans.

Trade

Jamaica's 51 MT of soybean imports during CY 2000 originated from Canada, accounting for 32 percent, and the United States, accounting for the remaining 68 percent. Trade in soybeans is expected to remain small as there are no plans to reactivate the closed extrusion plant. As an input, soybean is not subjected to import duties.

Policy

Since the closure of the Jamaica Soya Product Industries, JSPI, trade in and policy towards soybeans remain unimportant. There are no tariff barriers to soybean import since the 65 percent duty was removed at the time of closure of the JSPI.

Soybean PSD Table

PSD Table						
Country	Jamaica & Dep					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	0	0	0	0	0	0
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	0	0	0	0	0	0
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	0	0	0	0	0	0
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

SOYBEAN MEAL**Production**

There is insignificant local production of soybean meal in Jamaica.

Consumption

Soybean meal consumption in Jamaica has shown a slight average annual increment of 5.3 percent over the last three years. It reached an estimated 83,169 MT during MY 2000. Consumption of soybean meal is influenced entirely by the livestock sub-sector and particularly, by the poultry industry. The poultry industry accounts for approximately 65.3 percent of total soybean meal consumed in animal feeds. Swine and cattle feeds, with far less influence on soybean meal consumption, account for a mere 17 and 11 percent of total soybean meal consumption, respectively. The relative contribution of cattle feeds to total soybean meal consumption is expected to diminish significantly over MY 2002 through 2004 as one of the two vertically integrated livestock operations has closed its cattle feed lot. Total beef and veal production, which declined by 18.21 percent when compared to 1996, will continue to decline in the near future.

Notwithstanding the continuous contraction in the cattle industry, total consumption of soybean meal is expected to continue showing modest growth over the MY 2002 through 2004 as the poultry industry continues positive annual growth influenced largely by expansion in the broiler industry which attained growth rates of 15.5 percent in 1999 and 6.5 percent in 2001. Broiler production, and simultaneously soybean meal consumption, will continue favorable growth as the industry continues re-engineering its production practices. Further, the GOJ's proposed 100 percent duty increase plus 80 percent Additional Stamp Duty on selected agricultural products, (which inevitably include poultry), will also foster stronger growth in the broiler industry. This policy is ostensibly geared towards providing temporary protection for the expansion and upgrading of specific industries, in this case, poultry.

Total mixed feed production, which is projected to grow by 4.4 percent during MY 2001, is expected to continue favorable growth. One of Jamaica's major feed companies, and largest importer of soybean meal and grains, is considering a one-third expansion in its plant capacity due to the positive indicators in the broiler industry. This expansion should see the companies consumption of soybean meal moving up to 69, 000 MT per year.

Trade

Soybean meal imports into Jamaica have continued as a result of domestic unavailability and strong demand from the feed industry. The United States continues to be the sole supplier to the market.

Mixed Feed Production('000 MT) for Market Years (MY) 1999- 2001

Types of Feed	2001	2000	1999
Poultry	177	169	198
Swine	81	77	56
Cattle	58*	56*	10
Other	67	65	36
Total	383	367	300

Source: Industry

* A single company's influence. Reluctance by company to explain increase, but intentions to export is probable.

Soybean Meal PSD Table

PSD Table						
Country	Jamaica & Dep					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	4	2	2	4	2	6
Production	0	0	0	0	0	0
MY Imports	94	81	0	85	0	86
MY Imp. from U.S.	94	81	0	85	0	86
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	98	83	2	89	2	92
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	0	0	0	0	0	0
Feed Waste Dom. Consum	96	79	0	83	0	87
TOTAL Dom. Consumption	96	79	0	83	0	87
Ending Stocks	2	4	2	6	0	5
TOTAL DISTRIBUTION	98	83	2	89	0	92
Calendar Year Imports	0	78	0	83	0	84
Calendar Yr Imp. U.S.	0	78	0	83	0	84
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

SOYBEAN OIL**Production**

Refined soybean oil is produced by SEPROD and Jamaica Edible Oils and Fats Company Limited, JEOfCo. Total production of refined soybean oil was 13,054 MT during MY 2000, a decline of 8.7 percent from MY 1999. Projection of refined soy oil production does not show any substantial recovery for MY 2001.

Consumption

Jamaica's total utilization of 14,224 MT of soybean oil during MY 2000 is not expected to show significant growth during MY 2001. Utilization of palm oil is projected to almost double its 1,258 MT, 1999 level. Contrary to soybean oil, which is mostly refined and used as cooking oil, palm oil is mostly used in the production of margarine, which increased by 7 percent during MY 2000. Utilization of corn and coconut oils have shown only negligible variations over the last three years and are not expected to show any deviations during MY 2001 and MY 2002.

Soybean oil continues to be the preferred oil in the Jamaican consumer market. The product retains market leadership because of its availability, price competitiveness and consumers' perception of the superior health benefits associated with soy oil vis-a-vis other oils of plant or animal origins. Consumers demand for edible oils is expected to decline moderately in the medium to long term. Within the increasingly health conscious Jamaican consumer market, consumers are becoming conservative in their consumption of fats and oils. Fast food franchises are beginning to promote broiled / steamed products to the growing "health conscious" consumer segment. However, within the declining oil market, consumption of soybean oil is expected to remain strong as consumers taste and preference continues to be driven by health consciousness.

Utilization of Fats and Oils by End Product

	Soy	Palm	Coconut	Corn	Tallow	Other	Total
2001							
Margarine	469	1469	0	3	1202	472	3615
Shortening	105	274	0	0	681	618	1678
Cooking oil	13514	711	148	8	0	0	14381
Soap	0	0	0	0	0	0	0
Other	47	0	0	0	0	0	47
Total	14135	2454	148	11	1883	1090	19721
2000							
Margarine	1033	1086	25	25	1005	634	3812
Shortening	92	337	7	0	532	545	1512
Cooking oil	13054	81	146	9	0	0	13291
Soap	0	0	0	0	0	0	0
Other	46	0	0	0	0	0	46
Total	14224	1504	178	35	1537	1183	18660
1999							
Margarine	673	944	75	25	1292	546	3557
Shortening	122	314	29	0	541	434	1446
Cooking oil	14294	0	117	7	0	0	14418
Soap	0	0	0	0	0	0	0
Other	41	0	0	0	0	0	41
Total	15131	1258	222	1833	986	19462	

Trade

Jamaica's total importation of crude soybean oil has consistently increased from CY 1997 to 2000, to reach 22,013 thousand liters in 2000, a 31 percent increase over CY 1999.

Simultaneously, importation of refined soybean oil has shown a declining trend over CY 1997 to 2000, reaching a mere 969 thousand liters during CY 2000, a 29 percent decline when measured against CY 1999. This negative correlation between imported refined and crude soybean oil resulted from the movements of SEPROD and JEOFCo along their respective learning curves to achieve increased refining efficiency and lower output prices, comparable to soy oil from other CARICOM countries. This trend is expected to continue into the medium-term as both companies strive towards achieve greater efficiency.

The United States, Trinidad and Tobago are the only suppliers of crude soybean oil to Jamaica. Contrary to Jamaica's increasing importation of crude soybean oil from the United States, importation from Trinidad and Tobago continues a four year drastic decline since 1997. During CY 2000, the United States was the sole supplier of crude soybean oil to Jamaica.

Trinidad and Tobago remain the primary suppliers of refined soy oil to Jamaica, followed by the United States and Barbados. While Trinidad and Tobago remain the primary suppliers of refined soybean oil to Jamaica, its relative contribution to Jamaica's total import has significantly eroded from 90 percent in 1997 to 62 percent in CY 2000. Conversely, the United States relative contribution to Jamaica's total refined soy oil import has increased from a mere 5.1 percent in CY 1997 to 27 percent in CY 2000, despite a 40 percent Common External Tariff (CET) on refined and crude soy oil originating outside of CARICOM.

Soybean oil imports ('000 Liters)

	2000	1999	1998	1997
Soybean crude oil				
USA	22,013	16,835	11,694	14,978
Trinidad & Tobago	0	27	68	61
TOTAL	22013	16862	11763	15040

Other soybean oil

United Kingdom		35	0	111
United States	265	151	157	179
Barbados	86	100	69	44
Trinidad & Tobago	605	1,081	2482	3162
Puerto Rico	0	0	6	00
Dominica	13			
Total	969	1368	2714	3496

Marketing

The Jamaican market for edible oils is very competitive, with products being heavily advertised and positioned on the bases of price, quality and, particularly, health benefits. All vegetable oils are positioned on the basis of health benefits, however, soy, olive and corn oils have attracted and retain consumer interest over other vegetable oils. On a brand basis, the average Jamaican supermarket showcase five to seven brands of oils. The most popular brands are Good n' Natural, from Trinidad and Tobago and Lider, from JEOFCo. Both brands are prudently positioned in the price sensitive consumer market as low price - high quality products. SEPROD, a major player in the market, produces its own brands and package for several distributors under private labels.

Policy

Members of the Caribbean Community protect their local industries and facilitate intra-CARICOM trade by levying a Common External Tariff (CET) on products originating external to the CARICOM region. Refined soybean oil faces a CET of 40 percent plus an Additional Stamp Duty of 25percent, pushing the aggregate applied duty to 65 percent. Under this regime, refined soybean oil from Trinidad and Tobago, Jamaica's major CARICOM trading partner, is allowed to dominate the Jamaican market on a price basis.

A permit from the Coconut Industry Board (CIB) is a mandatory requirement for the importation of edible plant / vegetable oils into Jamaica. In addition, the CIB levies a tax of J\$ 0.08/lb. The import permit is used as a mechanism to regulate the inflows of edible oil in an attempt to serve the commercial interest of the Coconut Industry Board.

Crude soybean oil, is classified as a raw material and as such attracts a minimal import duty of only 5 percent.

Soybean Oil PSD Table

PSD Table						
Country	Jamaica & Dep					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	2	1	2	2	0	2
Production	0	0	0	0	0	0
MY Imports	28	17	0	16	0	16
MY Imp. from U.S.	25	15	0	15	0	15
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	30	18	2	18	0	18
MY Exports	7	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	21	16	0	16	0	16
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	21	16	0	16	0	16
Ending Stocks	2	2	0	2	0	2
TOTAL DISTRIBUTION	30	18	0	18	0	18
Calendar Year Imports	0	18	0	23	0	23
Calendar Yr Imp. U.S.	0	17	0	22	0	22
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0